

**NEWELL-FONDA
COMMUNITY SCHOOL DISTRICT**

INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS

JUNE 30, 2008

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NEWELL-FONDA COMMUNITY SCHOOL DISTRICT

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
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Board of Education

(Before September, 2007 Election)

James Wernimont	President	2007
Roger Sarchet	Vice President	2008
Lyle Rossiter		2009
Greg Baskerville		2009
Julie Sexton		2007

(After September, 2007 Election)

Roger Sarchet	President	2008
Greg Baskerville	Vice President	2011
Lyle Rossiter		2009
Geoff Smith		2011
Kyle Scheidegger		2011

School Officials

Jeff Dicks	Superintendent
Marcia Johnson	District Secretary/ Treasurer

BRUCE D. FRINK

Certified Public Accountant

Independent Auditor's Report

Member:

- American Institute of Certified Public Accountants
- Iowa Society of Certified Public Accountants

Services:

- Individual & Corporate Tax Preparation, Partnerships, Estate & Trust
- Year Round Tax Planning
- Electronic Filing
- Payroll & Sales Tax Preparation
- I.R.S. Representation
- Monthly/Quarterly Write-Up
- Data Processing Services
- Payroll Preparation
- Computerized Financial Statements
- Business/Personal Financial Planning
- Bank Loan Assistance
- Section 105 Medical Plan Administration

Plus:

- Over 30 years of Expertise and Experience
- Evenings & Saturdays Available by Appointment
- Extended Hours During Tax Season

To the Board of Education of
Newell-Fonda Community School District:

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Newell-Fonda Community School District, Newell, Iowa, as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements listed in the table of contents. These financial statements are the responsibility of District officials. Our responsibility is to express opinions on these financial statements based on our audit.

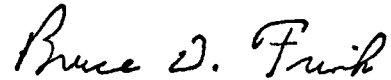
We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Newell-Fonda Community School District at June 30, 2008, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated February 4, 2009 on our consideration of Newell-Fonda Community School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and budgetary comparison information on pages 4 through 13 and 32 through 33 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Newell-Fonda Community School District's basic financial statements. We previously audited in accordance with the standards referred to in the second paragraph of this report, the financial statements for the three years ended June 30, 2007 (which are not presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 6, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "Bruce D. Frink".

BRUCE D. FRINK
Certified Public Accountant

February 4, 2009

NEWELL-FONDA COMMUNITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Newell-Fonda Community School District provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2008. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

2008 FINANCIAL HIGHLIGHTS

- General Fund revenues increased from \$3,564,222 in fiscal year 2007 to \$3,941,983 in fiscal year 2008. Expenditures increased very slightly from \$3,691,755 in fiscal year 2007 to \$3,719,195 in fiscal year 2008.
- The increase in revenues was due in part to an increase in District tax rates from 10.55620% in fiscal year 2007 to 11.46779% in fiscal year 2008, an increase of .91159%. This increase generated over \$143,000 in additional tax revenue for the district. In addition, fiscal year 2008 was the first year our District had the Instructional Support Levy and the Cash Reserve Levy. The budget enrollment was steady from fiscal year 2007, which also affected revenues.
- Expenditures were held relatively steady, due largely to a reduction in staff, causing salaries and benefits to decrease significantly. This was accomplished mostly through attrition, as well as changes in staff assignments. Maintenance and transportation costs both decreased, mainly due to staff and bus route changes that caused a reduction in salary costs.
- The Management Fund revenues increased from \$103,490 in fiscal year 2007 to \$120,993 in fiscal year 2008. Management expenditures increased from \$97,395 in fiscal year 2007 to \$109,948 in fiscal year 2008. A slight increase in property tax rates plus insurance proceeds and dividend revenue accounted for the increase in revenue. On the expenditures side, while early retirement costs remained mostly steady, the cost of property and liability insurance increased significantly. Costs for damages covered by insurance were also paid out of the management fund.
- Local Option Sales Tax revenues increased from \$322,152 in fiscal year 2007 to \$553,294 in fiscal year 2008. SILO expenditures increased dramatically from \$64,779 in fiscal year 2007 to \$273,421 in fiscal year 2008. The dramatic change in both revenues and expenditures is due largely to entering into a lease-purchase agreement with Apple Computer for our new 1:1 laptop computer initiative. The total principal of the lease agreement is 238,599, which is being accounted for within the capital projects and debt services funds.
- PPEL revenues decreased from \$112,003 in fiscal year 2007 to \$70,507 in fiscal year 2008. Expenditures increased from \$48,110 in fiscal year 2007 to \$135,704 in fiscal year 2008. Revenues in fiscal 2007 were inflated due to the sale of a school-owned house; revenues in fiscal year 2008 were back down to normal tax and interest revenue levels. Expenditures increased dramatically due to plant operation costs that had been paid out of the capital projects fund in fiscal year 2007, which were paid out of the PPEL fund in fiscal year 2008.
- The Nutrition Fund revenues decreased, with revenues of \$188,032 in fiscal year 2007 to \$183,437 in fiscal year 2008. Expenditures increased from \$187,876 in fiscal year 2007 to \$191,320 in fiscal year 2008, largely due to increased costs for groceries and supplies.
- Activity Fund receipts increased from \$185,876 in fiscal year 2007 to \$201,016 in fiscal year 2008. Expenditures also increased from \$175,596 in fiscal year 2007 to \$193,458 in fiscal year 2008.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.

The Government-wide Financial Statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of Newell-Fonda Community School District as a whole and present an overall view of the District's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Newell-Fonda Community School District's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Newell-Fonda Community School District acts solely as an agent or custodian for the benefit of those outside of the District.

Notes to financial statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the District's budget for the year.

Other Supplementary Information provides detailed information about the nonmajor governmental funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various programs benefiting the District.

Figure A-1 shows how the various parts of this annual report are arranged and relate to one another.

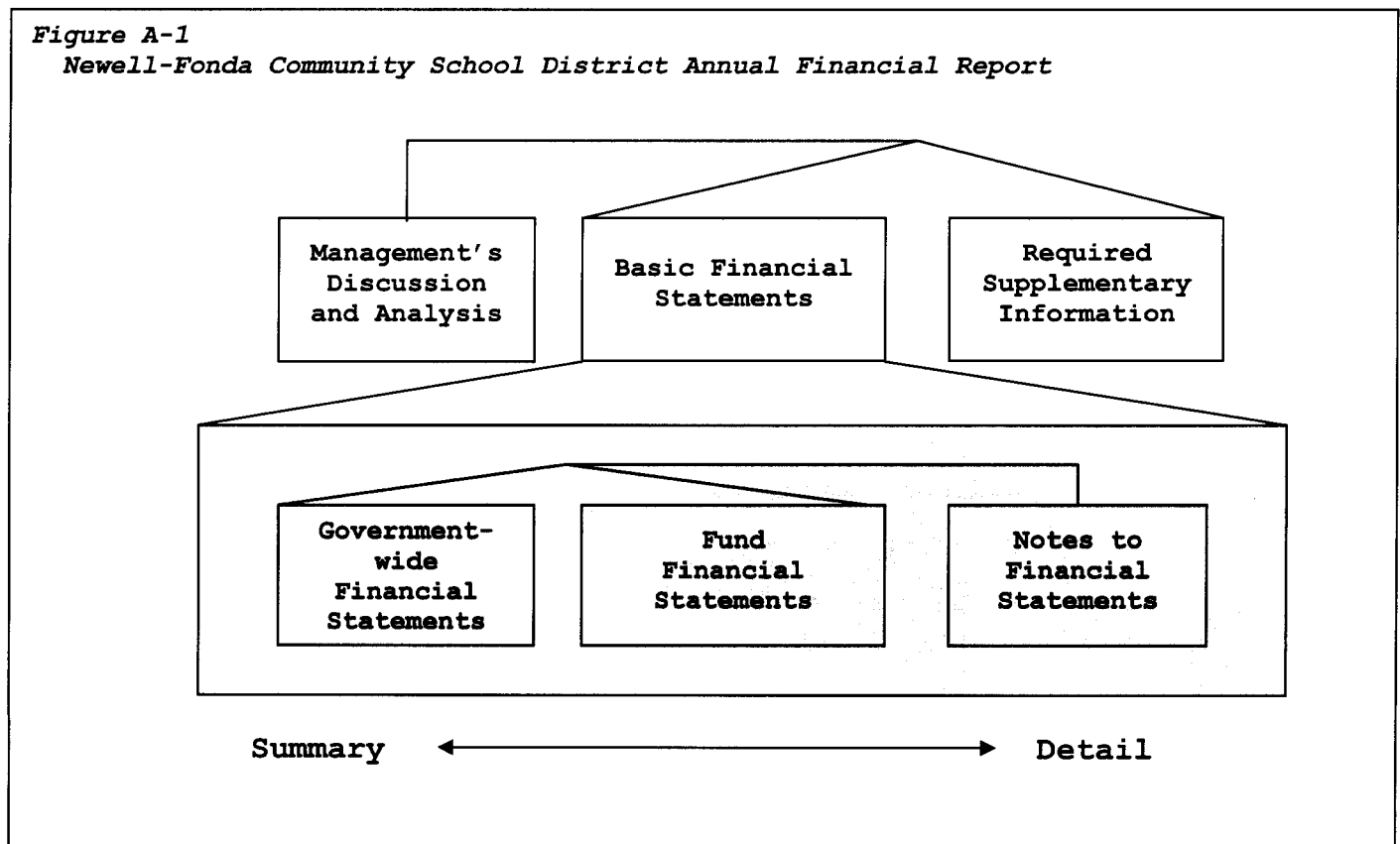


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

Figure A-2
Major Features of the Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services and adult education	Instances in which the district administers resources on behalf of someone else, such as scholarship programs
Required financial statements	<ul style="list-style-type: none"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net assets • Statement of revenues, expenses and changes in fund net assets • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net assets • Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide financial statements report the District's net assets and how they have changed. Net assets - the difference between the District's assets and liabilities - is one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net assets are an indicator of whether financial position is improving or deteriorating, respectively. To assess the District's overall health, additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities, need to be considered.

In the government-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities:* Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property tax and state aid finance most of these activities.
- *Business type activities:* The District charges fees to help cover the costs of certain services it provides. The District's school nutrition program is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes, such as accounting for student activity funds, or to show that it is properly using certain revenues, such as federal grants.

The District has three kinds of funds:

- 1) *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on (1) how much cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

The District's governmental funds include the General Fund, Special Revenue Funds and Capital Projects Fund.

The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures and changes in fund balances.

- 2) *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide statements. The District's Enterprise Funds, one type of proprietary fund, are the same as its business type activities but provide more detail and additional information, such as cash flows. The District currently has one Enterprise Fund, the School Nutrition Fund.

The required financial statements for proprietary funds include a statement of net assets, a statement of revenues, expenses and changes in fund net assets and a statement of cash flows.

3) *Fiduciary funds*: The District is the trustee, or fiduciary, for assets that belong to others. These funds include Private-Purpose Trusts.

- Private-Purpose Trust Fund - The District accounts for outside donations for scholarships for individual students in this fund.

The District is responsible for ensuring the assets reported in the fiduciary funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

Reconciliations between the government-wide financial statements and the fund financial statements follow the fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Figure A-3 below provides a summary of the District's net assets for the year ended June 30, 2008 compared to June 30, 2007.

Figure A-3 Condensed Statement of Net Assets (Expressed in Thousands)							
	Governmental Activities		Business type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2008	2007	2008	2007	2008	2007	2007-08
Current assets	\$ 3,935	3,230	52	59	3,987	3,289	21.22%
Capital assets	573	377	3	4	576	381	51.18%
Total assets	<u>4,508</u>	<u>3,607</u>	<u>55</u>	<u>63</u>	<u>4,563</u>	<u>3,670</u>	<u>24.33%</u>
Current liabilities	1,922	1,583	-	-	1,922	1,583	21.42%
Non-current liabilities	-	-	-	-	-	-	0.00%
Total liabilities	<u>1,922</u>	<u>1,583</u>	<u>-</u>	<u>-</u>	<u>1,922</u>	<u>1,583</u>	<u>21.42%</u>
Net Assets							
Invested in capital assets, net of related debt	573	377	3	4	576	381	51.18%
Restricted	1,471	1,212	-	-	1,471	1,212	21.37%
Unrestricted	542	435	52	59	594	494	20.24%
Total net assets	<u>\$ 2,586</u>	<u>2,024</u>	<u>55</u>	<u>63</u>	<u>2,641</u>	<u>2,087</u>	<u>26.55%</u>

The District's combined net assets increased 26%, or approximately \$554,000 from the prior year. This was due to increases in the general and capital projects funds.

Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements increased by 20%. This increase in unrestricted net assets was a result of cost cutting measures combined with the introduction of the Instructional Support and Cash Reserve levies.

Figure A-4 shows the changes in net assets for the year ended June 30, 2008 compared to the year ended June 30, 2007.

Figure A-4							
Changes in Net Assets							
(Expressed in Thousands)							
Governmental Activities		Business type Activities		Total School District		Total Change	
2008	2007	2008	2007	2008	2007	2007-08	
Revenues:							
Program revenues:							
Charges for service and sales	\$ 107	86	92	100	199	186	6.99%
Operating grants, contributions and restricted interest	930	850	91	90	1,021	940	8.62%
General revenues:							
Property tax	1,475	1,336	-	-	1,475	1,336	10.40%
Income surtax	84	-	-	-	84	-	100.00%
Local option sales tax	274	289	-	-	274	289	-5.19%
Unrestricted state grants	1,779	1,632	-	-	1,779	1,632	9.01%
Unrestricted investment earnings	30	27	-	-	30	27	11.11%
Other	54	68	-	-	54	68	-20.59%
Total revenues	4,733	4,288	183	190	4,916	4,478	9.78%
Program expenses:							
Governmental activities:							
Instruction	2,690	2,697	-	-	2,690	2,697	-0.26%
Support Services	1,276	1,228	-	-	1,276	1,228	3.91%
Non-instructional programs	-	-	191	177	191	177	7.91%
Other expenses	206	225	-	-	206	225	-8.44%
Total expenses	4,172	4,150	191	177	4,363	4,327	0.83%
Change in net assets	\$ 561	138	(8)	13	553	151	366.23%

Property tax and unrestricted state grants account for 66% of the total revenue. The District's expenses primarily relate to instruction and support services which account for 91% of the total expenses.

Governmental Activities

Revenues for governmental activities were \$4,733,430 and expenses were \$4,172,545.

The following table presents the total and net cost of the District's major governmental activities: instruction, support services and other expenses, for the year ended June 30, 2008 compared to the year ended June 30, 2007.

Figure A-5						
Total and Net Cost of Governmental Activities						
(Expressed in Thousands)						
Total Cost of Services			Net Cost of Services			
		Change			Change	
	2008	2007	2007-08	2008	2007	2007-08
Instruction	\$ 2,690	2,697	-0.26%	1,903	2,025	-6.02%
Support Services	1,276	1,228	3.91%	1,227	1,151	6.60%
Other expenses	206	225	-8.44%	5	38	-86.84%
Totals	\$ 4,172	4,150	0.53%	3,135	3,214	-2.46%

- The cost financed by users of the District's programs was \$107,348.
- Federal and state governments subsidized certain programs with grants and contributions totaling \$442,505.
- The net cost of governmental activities was financed with \$1,474,300 in property taxes and \$1,778,775 in unrestricted state grants.

Business Type Activities

Revenues for School Nutrition were \$183,437 and expenses were \$191,320. Revenues of these activities were comprised of charges for service, federal and state reimbursements and investment income.

During the year ended June 30, 2008, the District kept meal prices steady; however, the District did increase meal prices in fiscal year 2008 from the previous year to help compensate for increased food costs.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As previously noted, Newell-Fonda Community School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported a combined fund balance of \$2,585,695, a twenty-eight percent increase over last year's ending fund balances of \$2,024,810. The largest part of the increase in the General and Capital Projects Funds.

Governmental Fund Highlights

- General Fund revenues increased from \$3,564,222 in fiscal year 2007 to \$3,941,983 in fiscal year 2008. Expenditures increased very slightly from \$3,691,751 in fiscal year 2007 to \$3,719,195 in fiscal year 2008.
- The increase in revenues was due in part to an increase in District tax rates from 10.55620% in fiscal year 2007 to 11.46779% in fiscal year 2008. This increase generated over \$143,000 in additional tax revenue for the district.
- Expenditures were held in check due in part to a slight reduction in staff, which caused salary and benefit cost to decrease. Maintenance costs and transportation costs both decreased.
- The Management Fund revenues increased from \$103,490 in fiscal year 2007 to \$120,993 in fiscal year 2008. Management expenditures increased from \$97,395 in fiscal year 2007 to \$109,948 in fiscal year 2008. Once again an increase in property tax rates largely accounted for the increase in revenue, as well as an increase in dividend revenue and insurance proceeds. On the expenditure side, the increase was due to an increase in property and liability insurance costs as well as expenditures paid out of the management fund for damages covered by insurance in fiscal year 2008.
- Local Option Sales Tax revenues increased from \$322,152 in fiscal year 2007 to \$553,294 in fiscal year 2008. SILO expenditures increased dramatically from \$64,779 in fiscal year 2007 to \$273,421 in fiscal year 2008. The dramatic change in both revenues and expenditures is due largely to entering into a lease-purchase agreement with Apple Computer for our new 1:1 laptop computer initiative. The total principal of the lease agreement is 238,599, which is being accounted for within the capital projects and debt services funds.
- PPEL revenues decreased from \$112,003 in fiscal year 2007 to \$70,507 in fiscal year 2008. Expenditures increased from \$48,110 in fiscal year 2007 to \$135,704 in fiscal year 2008. Revenues in fiscal 2007 were inflated due to the sale of a school-owned house; revenues in fiscal year 2008 were back down to normal tax and interest revenue levels. Expenditures increased dramatically due to plant operation costs that had been paid out of the capital projects fund in fiscal year 2007, which were paid out of the PPEL fund in fiscal year 2008.
- Activity Fund receipts increased from \$185,876 in fiscal year 2007 to \$201,016 in fiscal year 2008. Expenditures also decreased from \$175,596 in fiscal year 2007 to \$193,458 in fiscal year 2008.

Proprietary Fund Highlights

The Nutrition Fund revenues decreased, with revenues of \$188,032 in fiscal year 2007 to \$183,437 in fiscal year 2008. Expenditures also decreased from \$191,320 in fiscal year 2007 to \$187,360 in fiscal year 2008.

BUDGETARY HIGHLIGHTS

The District's receipts were \$1,342 more than budgeted receipts, a variance of 0%.

Total expenditures were \$193,310 more than budgeted overall, due primarily to the District's budget for the General Fund. Expenditures exceeded the amounts budgeted in the instruction and other expenditures functions.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2008, the District had invested \$572,539, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. (See Figure A-6) This represents a net increase of 52% from last year. More detailed information about the District's capital assets is presented in Note 3 to the financial statements. Depreciation expense for the year was \$107,788.

The original cost of the District's capital assets was \$1,971,757. Governmental funds account for \$1,976,244, with the remainder of \$25,513 accounted for in the Proprietary School Nutrition Fund.

Figure A-6
Condensed Statement of Net Assets
(Expressed in Thousands)

	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2008	2007	2008	2007	2008	2007	2007-08
Land	\$ 2	2	-	-	2	2	0.00%
Buildings	219	237	-	-	219	237	-7.59%
Furniture and equipment	351	138	3	4	354	142	149.30%
Totals	\$ 572	377	3	4	575	381	50.92%

Long-Term Debt

The District has no long-term debt.

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of existing circumstances that could significantly affect its financial health in the future:

- Due to a significant decrease in enrollment in 2007-08, the state funding will decrease in 2008-09. The certified enrollment count taken on October 1, 2008 showed a decrease of 18.2 students, which will cause a decrease of over \$102,000 in revenue for the 2009-10 school years. However, the District will take this into consideration during the 2009-10 budget preparation process. Also, a slight increase in FTEs (1.35) in 2008-09 will cost the district salaries and benefits. However, the increase in staff was necessary to accommodate the need for a full time tech coordinator to implement the new 1:1 laptop initiative. Also, the District brought the preschool program in-house in 2008-09 so the preschool teacher is a new employee. As we assess the needs for staff in 2009-10, the declining enrollment will be taken into consideration and adjustments will be made accordingly, mainly through attrition and early retirement. In 2008-09 the District continued with the combined Superintendent and High School Principal positions; however, due to the heavy load of responsibilities on one person, these two positions will be divided again for the 2009-10 school year. This change will cause an increase in expenditures for 2009-10, but with the ever changing and increasing administrative, educational and fiscal responsibilities, this is a necessary change for the future of our district.

- The SILO tax money will continue to come in and accumulate. The lease payments for our new 1:1 laptop initiative will be paid out of this fund, at a rate of just over \$32,000 every six months. Also being considered in the near future are building and remodeling projects to accommodate all PK-12 students in one building, which would be paid for out of the capital projects fund. The grade realignment should save money in the general fund due to less transportation, maintenance and support staff costs.
- The trend seems to be for enrollment to continue to decline. This anticipated declining enrollment has caused the Board to continue to address sharing options. The District is currently sharing staff in the areas of music and vocational agriculture, and will continue to look at ways to share classes and staff to save money while providing educational opportunities for our students.
- The District has increased incentives for the high school staff to be able to teach dual credit classes in-house. There are currently four teachers who are teaching classes for both high school and college credits. College credits can also be earned by students using other post-secondary options, including online classes. The District hopes to see these educational opportunities, along with the laptop initiative, as a progressive way to attract new families into our school district.
- The District is aware of increasing mandates for programs such as No Child Left Behind. This causes our staff to be increasing their reporting and accountability to standards, and this all costs money.
- Allowable growth of 4% is inadequate to meet normal increases in salaries and benefits. The District will see increased costs in IPERS due to rate increases. Adjustments in District personnel due to future grade realignment into one building will help counteract this partially.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Marcia Johnson, District Secretary/Treasurer, Newell-Fonda Community School District, 205 Clark Street, Newell, Iowa 50568.

Basic Financial Statements

NEWELL-FONDA COMMUNITY SCHOOL DISTRICT

Statement of Net Assets

June 30, 2008

	Governmental Activities	Business Type Activities	Total
Assets			
Cash and pooled investments	\$ 2,024,454	48,618	2,073,072
Receivables:			
Property tax:			
Current year	22,768	-	22,768
Succeeding year	1,661,268	-	1,661,268
Income surtax	84,236	-	84,236
Due from other governments	78,454	-	78,454
Other receivables	63,094	-	63,094
Accrued interest receivable	1,028	969	1,997
Inventories	-	2,685	2,685
Capital assets, net of accumulated depreciation	572,539	3,222	575,761
Total assets	<u>4,507,841</u>	<u>55,494</u>	<u>4,563,335</u>
Liabilities			
Accounts payable	37,068	-	37,068
Deferred revenue:			
Succeeding year property tax	1,661,268	-	1,661,268
Long-term liabilities:			
Portion due within one year:			
Capital lease	56,394	-	56,394
Early retirement	15,776	-	15,776
Portion due after one year:			
Capital lease	151,640	-	151,640
Total liabilities	<u>1,922,146</u>	<u>-</u>	<u>1,922,146</u>
Net assets			
Invested in capital assets	572,539	3,222	575,761
Restricted for:			
Management levy	56,817	-	56,817
Physical plant and equipment levy	408,347	-	408,347
Capital projects	1,006,289	-	1,006,289
Unrestricted	541,703	52,272	593,975
Total net assets	<u>\$ 2,585,695</u>	<u>55,494</u>	<u>2,641,189</u>

See notes to financial statements.

NEWELL-FONDA COMMUNITY SCHOOL DISTRICT

Statement of Activities

Year ended June 30, 2008

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Governmental Activities	Business Type Activities	Total
Functions/Programs:						
Governmental activities:						
Instruction:	\$ 2,690,318	107,348	679,635	(1,903,335)	-	(1,903,335)
Support services:						
Student services	96,602	-	-	(96,602)	-	(96,602)
Instructional staff services	216,384	-	-	(216,384)	-	(216,384)
Administration services	394,494	-	-	(394,494)	-	(394,494)
Operation and maintenance of plant services	337,281	-	49,601	(287,680)	-	(287,680)
Transportation services	231,505	-	-	(231,505)	-	(231,505)
	1,276,266	-	49,601	(1,226,665)	-	(1,226,665)
Other expenditures:						
AEA flowthrough	160,842	-	160,842	-	-	-
Interest on long-term debt	1,692	-	-	(1,692)	-	(1,692)
Facilities acquisition and construction	25,627	-	40,419	14,792	-	14,792
Depreciation (unallocated) *	17,800	-	-	(17,800)	-	(17,800)
	205,961	-	201,261	(4,700)	-	(4,700)
Total governmental activities	4,172,545	107,348	930,497	(3,134,700)	-	(3,134,700)

NEWELL-FONDA COMMUNITY SCHOOL DISTRICT

Statement of Activities

Year ended June 30, 2008

	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
	Charges for Service	Operating Grants, Contributions and Restricted Interest	Governmental Activities	Business Type Activities	Total
Expenses					
	191,321	91,172	-	(7,883)	(7,883)
	<u>\$ 4,363,866</u>	<u>1,021,669</u>	<u>(3,134,700)</u>	<u>(7,883)</u>	<u>(3,142,583)</u>
General Revenues:					
Property tax levied for:					
General purposes			\$ 1,332,401	-	1,332,401
Management			99,493	-	99,493
Capital outlay			42,406	-	42,406
Income surtax			84,236	-	84,236
Local option sales tax			274,275	-	274,275
Unrestricted state grants			1,778,775	-	1,778,775
Unrestricted investment earnings			30,297	-	30,297
Other			53,702	-	53,702
Total general revenues			3,695,585	-	3,695,585
Change in net assets			560,885	(7,883)	553,002
Net assets beginning of year			2,024,810	63,377	2,088,187
Net assets end of year			\$ 2,585,695	55,494	2,641,189

* This amount excludes the depreciation that is included in the direct expenses of the various programs.

See notes to financial statements.

NEWELL-FONDA COMMUNITY SCHOOL DISTRICT

Balance Sheet
Governmental Funds

June 30, 2008

	<u>General</u>	<u>Capital Projects</u>	<u>Property Plant and Equipment Levy</u>	<u>Nonmajor Special Revenue</u>	<u>Total</u>
Assets					
Cash and pooled investments	\$ 519,959	927,835	400,377	176,283	2,024,454
Receivables:					
Property tax:					
Current year	13,759	-	7,970	1,039	22,768
Succeeding year	1,540,363	-	45,905	75,000	1,661,268
Income surtax	84,236	-	-	-	84,236
Due from other governments	-	78,454	-	-	78,454
Other receivables	63,094	-	-	-	63,094
Accrued interest receivable	-	-	-	1,028	1,028
Total assets	<u>\$ 2,221,411</u>	<u>1,006,289</u>	<u>454,252</u>	<u>253,350</u>	<u>3,935,302</u>
Liabilities and Fund Balance					
Liabilities:					
Accounts payable	\$ 36,029	-	-	1,039	37,068
Deferred revenue:					
Succeeding year property tax	1,540,363	-	45,905	75,000	1,661,268
Succeeding year income surtax	84,236	-	-	-	84,236
Total liabilities	<u>1,660,628</u>	<u>-</u>	<u>45,905</u>	<u>76,039</u>	<u>1,782,572</u>
Fund balances:					
Reserved for capital projects	-	1,006,289	-	-	1,006,289
Unreserved	<u>560,783</u>	<u>-</u>	<u>408,347</u>	<u>177,311</u>	<u>1,146,441</u>
Total fund balances	<u>560,783</u>	<u>1,006,289</u>	<u>408,347</u>	<u>177,311</u>	<u>2,152,730</u>
Total liabilities and fund balances	<u>\$ 2,221,411</u>	<u>1,006,289</u>	<u>454,252</u>	<u>253,350</u>	<u>3,935,302</u>

See notes to financial statements.

NEWELL-FONDA COMMUNITY SCHOOL DISTRICT

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Assets

June 30, 2008

Total fund balances of governmental funds (Exhibit C)			\$ 2,152,730
Amounts reported for governmental activities in the Statement of Net Assets are different because:			
Income surtax receivable at June 30, 2008 is not recognized as income until received in the governmental funds, however it is shown as a revenue in the Statement of Activities.			84,236
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.			572,539
Long-term liabilities, including compensated absences and early retirement, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.			
Early retirement	\$ (15,776)		
Capital lease	(208,034)	(223,810)	
Net assets of governmental activities (Exhibit A)			<u>\$ 2,585,695</u>

NEWELL-FONDA COMMUNITY SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds

Year ended June 30, 2008

	General	Capital Projects	Property Plant and Equipment Levy	Debt Service	Nonmajor Special Revenue	Total
Revenues:						
Local sources						
Local tax	\$ 1,332,402	274,275	42,406	-	99,493	1,748,576
Tuition	107,348	-	-	-	-	107,348
Other	120,166	40,419	28,085	-	222,478	411,148
State sources	2,229,863	-	16	-	38	2,229,917
Federal sources	152,205	-	-	-	-	152,205
Total revenues	3,941,984	314,694	70,507	-	322,009	4,649,194
Expenditures:						
Current:						
Instruction	2,474,450	238,600	20,690	-	228,332	2,962,072
Support services:						
Student services	96,602	-	-	-	-	96,602
Instructional staff services	118,340	2,563	20,991	-	-	141,894
Administration services	374,759	-	110	-	19,625	394,494
Operation and maintenance of plant services	290,320	-	4,434	-	42,527	337,281
Transportation services	203,883	-	-	-	12,922	216,805
	1,083,904	2,563	25,535	-	75,074	1,187,076
Other expenditures:						
AEA flowthrough	160,842	-	-	-	-	160,842
Long term debt:						
Principal	-	-	-	30,566	-	30,566
Interest	-	-	-	1,692	-	1,692
Facilities acquisition and construction	-	-	89,479	-	-	89,479
	160,842	-	89,479	32,258	-	282,579
Total expenditures	3,719,196	241,163	135,704	32,258	303,406	4,431,727

NEWELL-FONDA COMMUNITY SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds

Year ended June 30, 2008

	General	Capital Projects	Property Plant and Equipment Levy	Debt Service	Nonmajor Special Revenue	Total
Excess (deficiency) of revenues over (under) expenditures	222,788	73,531	(65,197)	(32,258)	18,603	217,467
Other financing sources(uses):						
Capital lease proceeds	-	238,600	-	-	-	238,600
Operating transfers in	-	-	-	32,258	-	32,258
Operating transfers (out)	-	(32,258)	-	-	-	(32,258)
	-	206,342	-	32,258	-	238,600
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	222,788	279,873	(65,197)	-	18,603	456,067
Fund balances beginning of year	337,995	726,416	473,544	-	158,708	1,696,663
Fund balances end of year	\$ 560,783	1,006,289	408,347	-	177,311	2,152,730

See notes to financial statements.

NEWELL-FONDA COMMUNITY SCHOOL DISTRICT

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
to the Statement of Activities

Year ended June 30, 2008

Net change in fund balances - total governmental funds (Exhibit E) \$ 456,067

**Amounts reported for governmental activities in the Statement of Activities
are different because:**

Income surtaxes not collected for several months after the District's
fiscal year ends are not considered "available" revenues in the
governmental funds and are included as deferred revenues. They are,
however, recorded as revenues in the statement of activities 84,236

Capital outlays to purchase or build capital assets are reported in
governmental funds as expenditures. However, those costs are
reported in the Statement of Net Assets and are allocated over their
estimated useful lives as depreciation expense in the Statement of
Activities. Capital outlay expenditures exceeded depreciation expense
in the current year as follows:

Expenditures for capital assets	\$ 302,452	
Depreciation expense	<u>(106,990)</u>	195,462

Some expenses reported in the Statement of Activities do not
require the use of current financial resources and, therefore,
are not reported as expenditures in the governmental funds.

Additions	(254,376)	
Payments	<u>79,496</u>	<u>(174,880)</u>

Change in net assets of governmental activities (Exhibit B) \$ 560,885

NEWELL-FONDA COMMUNITY SCHOOL DISTRICT

Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Fund

Year ended June 30, 2008

	<u>School Nutrition</u>
Operating revenue:	
Local sources:	
Charges for services	\$ 92,266
Operating expenses:	
Non-instructional programs:	
Food service operations:	
Salaries	82,738
Benefits	11,323
Services	747
Supplies	95,715
Depreciation	798
Total operating expenses	<u>191,321</u>
Operating (loss)	<u>(99,055)</u>
Non-operating revenues:	
Local sources	2,626
State sources	2,531
Federal sources	<u>86,015</u>
	<u>91,172</u>
Change in net assets	(7,883)
Net assets beginning of year	<u>63,377</u>
Net assets end of year	<u>\$ 55,494</u>

See notes to financial statements.

NEWELL-FONDA COMMUNITY SCHOOL DISTRICT

Statement of Cash Flows
Proprietary Fund

Year ended June 30, 2008

	<u>School Nutrition</u>
Cash flows from operating activities:	
Cash received from sale of services	\$ 92,266
Cash payments to employees for services	(94,061)
Cash payments to suppliers for goods or services	<u>(83,738)</u>
Net cash provided by (used in) operating activities	<u>(85,533)</u>
Cash flows from non-capital financing activities:	
State grants received	2,531
Federal grants received	<u>75,731</u>
Net cash provided by non-capital financing activities	<u>78,262</u>
Cash flows from investing activities:	
Interest on investments	<u>2,896</u>
Net increase in cash and cash equivalents	(4,375)
Cash and cash equivalents beginning of year	<u>52,993</u>
Cash and cash equivalents end of year	<u><u>\$ 48,618</u></u>
Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating (loss)	(99,055)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:	
Depreciation	798
Commodities used	10,284
Increase in inventory	<u>2,440</u>
	<u><u>\$ (85,533)</u></u>
Reconciliation of cash and cash equivalents at year end to specific assets included on Combined Balance Sheet:	
Current assets:	
Cash	<u><u>\$ 48,618</u></u>
Non-cash investing, capital and financing activities:	

During the year ended June 30, 2008, the District received federal commodities valued at \$10,284.

See notes to financial statements.

NEWELL-FONDA COMMUNITY SCHOOL DISTRICT

Statement of Fiduciary Net Assets
Fiduciary Funds

June 30, 2008

	Private Purpose Trust Funds
Assets	
Cash	\$ 391,504
Total assets	<u>391,504</u>
Net assets	
Reserved for scholarships	<u>\$ 391,504</u>

See notes to financial statements.

NEWELL-FONDA COMMUNITY SCHOOL DISTRICT

Statement of Changes in Fiduciary Net Assets
Fiduciary Funds

Year ended June 30, 2008

	Private Purpose Trust <u>Scholarship</u>
Additions:	
Local sources:	
Miscellaneous	\$ 16,286
Total additions	<u>16,286</u>
Deductions:	
Support services:	
Scholarships	<u>9,036</u>
Total deductions	<u>9,036</u>
Change in net assets	7,250
Net assets beginning of year	<u>384,254</u>
Net assets end of year	<u>\$ 391,504</u>

See notes to financial statements.

NEWELL-FONDA COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2008

(1) Summary of Significant Accounting Policies

Newell-Fonda Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve. Additionally, the District either operates or sponsors summer recreational activities. The geographic area served includes the Cities of Newell and Fonda, Iowa, and agricultural area in Buena Vista, Sac, Pocahontas and Calhoun Counties. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

The District's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Newell-Fonda Community School District has included all funds, organizations, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the District. Newell-Fonda Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations - The District participates in a jointly governed organization that provides services to the District but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Buena Vista and Pocahontas Counties Assessor Conference Boards.

B. Basis of Presentation

Government-wide Financial Statements - The Statement of Net Assets and the Statement of Activities report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for service.

The Statement of Net Assets presents the District's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net assets result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets not meeting the definition of the two preceding categories. Unrestricted net assets often have constraints on resources that are imposed by management which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements - Separate financial statements are provided for governmental, proprietary and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other nonmajor governmental funds.

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, including instructional, support and other costs.

The Debt Service Fund is utilized to account for the payment of interest and principal on the District's general long-term debt.

The Physical Plant and Equipment Levy is used to account for the purchase of equipment and the repairing, remodeling and construction of buildings and land improvements.

The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities.

The District reports the following major proprietary fund:

The District's proprietary fund is the Enterprise, School Nutrition Fund. This fund is used to account for the food service operations of the District.

The District also reports fiduciary funds which focus on net assets and changes in net assets. The District's fiduciary funds include the following:

The Private Purpose Trust Fund is used to account for assets held by the District under trust agreements which require income earned to be used for scholarship awards.

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

The proprietary fund of the District applies all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's Enterprise Fund is charges to customers for sales and services. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District maintains its financial records on the cash basis. The financial statements of the District are prepared by making memorandum adjusting entries to the cash basis financial records.

D. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the financial statements:

Cash, Pooled Investments and Cash Equivalents - The cash balances of most District funds are pooled and invested. Investments are stated at fair value except for non-negotiable certificates of deposit which are stated at cost.

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

Property Tax Receivable - Property tax in governmental Funds are accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the Board of Education. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year become effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2006 assessed property valuations; is for the tax accrual period July 1, 2007 through June 30, 2008 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2007.

Due From Other Governments - Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories - Inventories are valued at cost using the first-in, first-out method for purchased items and government commodities. Inventories of proprietary funds are recorded as expenses when consumed rather than when purchased or received.

Capital Assets - Capital assets, which include property, furniture and equipment, are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

<u>Asset Class</u>	<u>Amount</u>
Land	\$ 1,000
Buildings	10,000
Improvements other than buildings	10,000
Furniture and equipment:	
School Nutrition Fund equipment	10,000
Other furniture and equipment	10,000

Capital assets are depreciated using the straight line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives (In Years)</u>
Buildings	50 years
Improvements other than buildings	20-50 years
Furniture and equipment	5-15 years

Deferred Revenue - Although certain revenues are measurable, they are not available. Available means collectible within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds as well as property tax receivables and other receivables not collected within sixty days after year end.

Deferred revenue on the Statement of Net Assets consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied.

Compensated Absences - District employees accumulated a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees that have resigned or retired. The compensated absences liability is deemed to be immaterial at June 30, 2008.

Fund Equity - In the governmental fund financial statements, reservations of fund balance are reported for amounts that are not available for appropriation or legally restricted by outside parties for use for a specific purpose.

Restricted Net Assets - In the government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

E. Budgeting and Budgetary Control

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2008, expenditures exceeded the amounts budgeted in the instruction and other expenditures functions.

(2) **Cash and Pooled Investments**

The District's deposits in banks at June 30, 2008 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The District had no investments at June 30, 2008.

(3) **Capital Assets**

Capital assets activity for the year ended June 30, 2008 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,000	-	-	2,000
Capital assets being depreciated:				
Buildings	1,006,000	-	-	1,006,000
Furniture and Equipment	635,792	302,452	-	938,244
Total capital assets being depreciated	1,641,792	302,452	-	1,944,244
Less accumulated depreciation for:				
Buildings	768,800	17,800	-	786,600
Furniture and Equipment	497,915	89,190	-	587,105
Total accumulated depreciation	1,266,715	106,990	-	1,373,705
Total capital assets being depreciated, net	375,077	195,462	-	570,539
Governmental activities, capital assets, net	\$ 377,077	195,462	-	572,539

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Business type activities:				
Furniture and equipment	\$ 25,513	-	-	25,513
Less accumulated depreciation	21,493	798	-	22,291
Business type activities capital assets, net	<u>\$ 4,020</u>	<u>(798)</u>	<u>-</u>	<u>3,222</u>

Depreciation expense was charged to the following functions:

Governmental activities:

Instructional support	\$ 74,490
Transportation services	14,700
Unallocated	17,800
	<u>\$ 106,990</u>

Business type activities:

Food service operations	<u>\$ 798</u>
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(4) Pension and Retirement Benefits

The District contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, PO Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 3.90% of their annual salary and the District is required to contribute 6.05% of annual payroll, for the year ended June 30, 2008. Contribution requirements are established by State statute. The District's contribution to IPERS for the years ended June 30, 2008, 2007, and 2006 were \$136,317, \$136,407 and \$134,687 respectively, equal to the required contributions for each year.

(5) Risk Management

Newell-Fonda Community School District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(6) Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$160,842 for year ended June 30, 2008 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

(7) Early Retirement

The District offers a voluntary early retirement plan to its certified employees. Eligible employees must be at least age fifty-nine and employees must have completed fifteen years of continuous service to the District. Employees must complete an application which is required to be approved by the Board of Education. The early retirement incentive is equal to the difference between the employee's base salaries calculated by using the current year regular salary schedule less the beginning base salary using the same schedule. Early retirement benefits paid during the year ended June 30, 2008 totaled \$48,930.

Required Supplementary Information

NEWELL-FONDA COMMUNITY SCHOOL DISTRICT

Budgetary Comparison Schedule of Revenues, Expenditures and Changes in Balances -
Budget and Actual - All Governmental Funds and Proprietary Fund

Required Supplementary Information

Year ended June 30, 2008

	Governmental Fund Types	Proprietary Fund Type	Total Actual	Budgeted Amounts		Final to Actual Variance
				Original	Final	
Revenues:						
Local sources	\$ 2,267,072	94,892	2,361,964	2,338,828	2,338,828	23,136
State sources	2,229,917	2,531	2,232,448	2,271,462	2,271,462	(39,014)
Federal sources	152,205	86,015	238,220	221,000	221,000	17,220
Total revenues	<u>4,649,194</u>	<u>183,438</u>	<u>4,832,632</u>	<u>4,831,290</u>	<u>4,831,290</u>	<u>1,342</u>
Expenditures:						
Instruction	2,962,072	-	2,962,072	2,904,251	2,904,251	(57,821)
Support services	1,187,076	-	1,187,076	1,496,000	1,496,000	308,924
Non-instructional programs	-	191,321	191,321	225,000	225,000	33,679
Other expenditures	282,579	-	282,579	191,107	191,107	(91,472)
Total expenditures	<u>4,431,727</u>	<u>191,321</u>	<u>4,623,048</u>	<u>4,816,358</u>	<u>4,816,358</u>	<u>193,310</u>
Excess (deficiency) of revenues over (under) expenditures	217,467	(7,883)	209,584	14,932	14,932	194,652
Other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	217,467	(7,883)	209,584	14,932	14,932	194,652
Balance beginning of year	<u>1,696,663</u>	<u>63,377</u>	<u>1,760,040</u>	<u>1,836,373</u>	<u>1,836,373</u>	<u>(76,333)</u>
Balance end of year	<u><u>\$ 1,914,130</u></u>	<u><u>55,494</u></u>	<u><u>1,969,624</u></u>	<u><u>1,851,305</u></u>	<u><u>1,851,305</u></u>	<u><u>118,319</u></u>

See accompanying independent auditor's report.

NEWELL-FONDA COMMUNITY SCHOOL DISTRICT

Notes to Required Supplementary Information - Budgetary Reporting

Year ended June 30, 2008

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standard Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds, except Private Purpose Trust and Agency Funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on a GAAP basis.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund or fund type. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not by fund. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula.

During the year ended June 30, 2008, expenditures exceeded the amounts budgeted in the instruction and other expenditures functions. The District did not exceed the General Fund unspent authorized budget.

Other Supplementary Information

NEWELL-FONDA COMMUNITY SCHOOL DISTRICT

Combining Balance Sheet
Nonmajor Special Revenue Funds

June 30, 2008

	Management <u>Levy</u>	Student <u>Activity</u>	<u>Total</u>
Assets			
Cash and pooled investments	\$ 71,565	104,718	176,283
Property tax receivable:			
Current year	1,039	-	1,039
Succeeding year	75,000	-	75,000
Accrued interest receivable	<u>1,028</u>	<u>-</u>	<u>1,028</u>
Total assets	<u>148,632</u>	<u>104,718</u>	<u>253,350</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	1,039	-	1,039
Deferred revenue:			
Succeeding year property tax	<u>75,000</u>	<u>-</u>	<u>75,000</u>
	76,039	-	76,039
Fund balance:			
Unreserved fund balances	<u>72,593</u>	<u>104,718</u>	<u>177,311</u>
Total liabilities and fund balances	<u>\$ 148,632</u>	<u>104,718</u>	<u>252,311</u>

See accompanying independent auditor's report.

NEWELL-FONDA COMMUNITY SCHOOL DISTRICT

Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds

Year ended June 30, 2008

	Management Levy	Student Activity	Total
Revenues:			
Local sources:			
Local tax	\$ 99,493	-	99,493
Other	21,462	201,016	222,478
State sources	38	-	38
	<u>120,993</u>	<u>201,016</u>	<u>322,009</u>
Total revenues			
Expenditures:			
Instruction	34,874	193,458	228,332
Support services:			
Administration services	19,625	-	19,625
Plant operation and maintenance	42,527	-	42,527
Student transportation	12,922	-	12,922
Total expenditures	<u>109,948</u>	<u>193,458</u>	<u>303,406</u>
Excess of revenues over expenditures	11,045	7,558	18,603
Fund balances beginning of year	<u>61,548</u>	<u>97,160</u>	<u>158,708</u>
Balance end of year	<u>\$ 72,593</u>	<u>104,718</u>	<u>177,311</u>

See accompanying independent auditor's report.

NEWELL-FONDA COMMUNITY SCHOOL DISTRICT

Schedule of Changes in Special Revenue Fund, Student Activity Accounts

Year ended June 30, 2008

Account	Balance Beginning of Year	Revenues	Expenditures	Balance End of Year
Boys Basketball	\$ 11,195	3,650	3,679	11,166
Football	929	9,608	10,537	-
Baseball	-	4,224	4,224	-
Co-ed Track	-	2,090	2,090	-
Co-ed Golf	-	2,232	2,232	-
Girls Basketball	9,010	14,846	16,309	7,547
Volleyball	-	3,170	3,170	-
Softball	-	8,236	8,236	-
General Athletics	11,006	11,313	15,334	6,985
Cheerleaders	4,472	9,071	7,457	6,086
Drill Team	988	6,292	5,724	1,556
National Honor Society	381	4,447	2,235	2,593
All School Play	2,142	1,171	933	2,380
Speech	1,321	348	365	1,304
Foreign Language Club	478	-	-	478
MS TA - Nielsen	2,844	14,519	11,432	5,931
Student Council	5,478	9,273	8,619	6,132
FCS	2,152	123	218	2,057
FFA	2,843	14,700	13,818	3,725
MS School Play	27	-	-	27
After Prom	225	4,039	4,108	156
Girls Basketball Fund Raiser	856	8,087	5,787	3,156
Boys Basketball Fund Raiser	285	1,778	1,211	852
Football Fund Raiser	1,294	14,910	14,025	2,179
Baseball Fund Raiser	5,262	5,984	7,239	4,007
Volleyball Fund Raiser	1,940	570	1,674	836
Softball Fund Raiser	5,777	10,920	10,401	6,296
Boys Track Fund Raiser	-	22	22	-
Girls Track Fund Raiser	12	979	975	16
Boys Golf Fund Raiser	28	516	544	-
Girls Golf Fund Raiser	-	200	200	-
Class of 2011	-	9,011	5,150	3,861
Class of 2008	984	6	457	533
Class of 2009	3,509	1,856	4,218	1,147
Class of 2010	4,238	-	35	4,203
Class of 2007	273	-	-	273
Art	859	78	78	859
Shop	1,132	-	-	1,132
HS Music Resale	-	507	507	-
Elementary PTF Funds	3,988	1,152	931	4,209
State Basketball Tourney Expense	276	6,130	6,406	-
Library	416	644	635	425
Postage	97	-	-	97
General Activity	1,154	1,977	2,292	839
Yearbook 08	-	11,378	5,910	5,468
Yearbook 07	4,041	-	4,041	-
Interest	5,248	959	-	6,207
Totals	\$ 97,160	201,016	193,458	104,718

See accompanying independent auditor's report.

NEWELL-FONDA COMMUNITY SCHOOL DISTRICT

Combining Schedule of Fiduciary Net Assets

Year ended June 30, 2008

	Private Purpose Trust Funds		Total
	Cecil Rogers Scholarship	Don Anderson Trust	
Assets			
Cash	\$ 6,436	385,068	391,504
	<u>\$ 6,436</u>	<u>385,068</u>	<u>391,504</u>
Net Assets			
Reserved for scholarships	\$ 6,436	385,068	391,504
	<u>\$ 6,436</u>	<u>385,068</u>	<u>391,504</u>

See accompanying independent auditor's report.

NEWELL-FONDA COMMUNITY SCHOOL DISTRICT

Combining Schedule of Changes in Fiduciary Net Assets

Year ended June 30, 2008

	Private Purpose Trust Funds		
	<u>Cecil Rogers Scholarship</u>	<u>Don Anderson Trust</u>	<u>Total</u>
Additions:			
Local sources:			
Interest income	\$ 298	15,988	16,286
Deductions:			
Support services:			
Scholarships awarded	<u>500</u>	<u>8,536</u>	<u>9,036</u>
Change in net assets	(202)	7,452	7,250
Net assets beginning of year	<u>6,638</u>	<u>377,616</u>	<u>384,254</u>
Net assets end of year	<u>\$ 6,436</u>	<u>385,068</u>	<u>391,504</u>

See accompanying independent auditor's report.

NEWELL-FONDA COMMUNITY SCHOOL DISTRICT

Schedule of Revenues by Source and Expenditures by Function
All Governmental Funds

For the Last Four Years

	Modified Accrual Basis			
	2008	2007	2006	2005
Revenues:				
Local sources:				
Local tax	\$ 1,748,576	1,625,426	1,422,156	1,349,135
Tuition	107,348	77,647	67,130	69,206
Other	411,148	432,721	351,589	268,811
State sources	2,229,917	2,003,601	2,113,281	1,654,735
Federal sources	152,205	148,347	150,162	146,638
Total	<u>\$ 4,649,194</u>	<u>4,287,742</u>	<u>4,104,318</u>	<u>3,488,525</u>
Expenditures:				
Instruction	\$ 2,962,072	2,647,909	2,617,889	2,488,717
Support services:				
Student	96,602	71,298	71,057	71,142
Instructional staff	141,894	136,196	118,446	102,411
Administration	394,494	442,524	437,461	404,889
Operation and maintenance of plant	337,281	338,531	382,039	388,787
Transportation	216,805	229,711	275,661	268,411
Other expenditures:				
Facilities acquisition	89,479	57,465	30,629	8,071
AEA flowthrough	160,842	153,999	151,340	135,465
Total	<u>\$ 4,399,469</u>	<u>4,077,633</u>	<u>4,084,522</u>	<u>3,867,893</u>

See accompanying independent auditor's report.

BRUCE D. FRINK

Certified Public Accountant

Independent Auditor's Report on Internal Control
over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance
with Government Auditing Standards

Member:

- American Institute of Certified Public Accountants
- Iowa Society of Certified Public Accountants

Services:

- Individual & Corporate Tax Preparation, Partnerships, Estate & Trust
- Year Round Tax Planning
- Electronic Filing
- Payroll & Sales Tax Preparation
- I.R.S. Representation
- Monthly/Quarterly Write-Up
- Data Processing Services
- Payroll Preparation
- Computerized Financial Statements
- Business/Personal Financial Planning
- Bank Loan Assistance
- Section 105 Medical Plan Administration

Plus:

- Over 30 years of Expertise and Experience
- Evenings & Saturdays Available by Appointment
- Extended Hours During Tax Season

To the Board of Education of
Newell-Fonda Community School District:

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Newell-Fonda Community School District as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements listed in the table of contents, and have issued our report thereon dated February 4, 2009. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Newell-Fonda Community School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Newell-Fonda Community School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Newell-Fonda Community School District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency, and a material weaknesses.

A control deficiency exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Newell-Fonda Community School District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood a misstatement of Newell-Fonda Community School District's financial statements that is more than inconsequential will not be prevented or detected by Newell-Fonda Community School District's internal control. We consider the deficiency in internal control described in Part I of the accompanying Schedule of Findings to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood a material misstatement of the financial statements will not be prevented or detected by Newell-Fonda Community School District's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we believe item 08-I-A is a material weakness.

Compliance and Other Matters

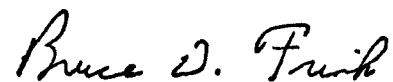
As part of obtaining reasonable assurance about whether Newell-Fonda Community School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance or other matters that are described in Part II of the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2008 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Newell-Fonda Community School District's responses to findings identified in our audit are described in the accompanying Schedule of Findings. While we have expressed our conclusions on the District's responses, we did not audit Newell-Fonda Community School District's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Newell-Fonda Community School District and other parties to whom Newell-Fonda Community School District may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Newell-Fonda Community School District during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



BRUCE D. FRINK
Certified Public Accountant

February 4, 2009

NEWELL-FONDA COMMUNITY SCHOOL DISTRICT

Schedule of Findings

Year ended June 30, 2008

Part I: Findings Related to the Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

SIGNIFICANT DEFICIENCIES:

08-I-A SEGREGATION OF DUTIES

Comment - During our review of the internal control structure, the existing procedures are evaluated in order to determine that incompatible duties, from a control standpoint, are not performed by the same employee. This segregation of duties helps to prevent losses from employee error or dishonesty and therefore maximizes the accuracy of the District's financial statements. We noted that one individual has custody of receipts and performs all record-keeping and reconciling functions for the office.

Recommendation - We realize that with a limited number of office employees, segregation of duties is difficult. However, the District should review the operating procedures of the office to obtain the maximum internal control possible under the circumstances.

Response - We will review procedures and investigate available alternatives.

Conclusion - Response acknowledged.

Part II: Other Findings Related to Required Statutory Reporting:

08-II-A Official Depositories - Official depositories have been approved by the District. The maximum deposit amounts approved were not exceeded during the year ended June 30, 2008.

08-II-B Certified Budget - Expenditures for the year ended June 30, 2008, exceeded the certified budget amounts in the instruction and other expenditures functions.

Recommendation - The certified budget should have been amended in accordance with Chapter 24.9 of the Code of Iowa before expenditures were allowed to exceed the budget.

Response - Future budgets will be amended in sufficient amounts to ensure the certified budget is not exceeded.

Conclusion - Response accepted.

08-II-C Travel Expense - No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.

08-II-D Business Transactions - No business transactions between the District and District officials or employees were noted.

08-II-E Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.

NEWELL-FONDA COMMUNITY SCHOOL DISTRICT

Schedule of Findings

Year ended June 30, 2008

Part II: Other Findings Related to Required Statutory Reporting:
(continued):

08-II-F Questionable Expenditures - We noted expenditures as follows that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979. One, we noted that Student Activity Funds were used to pay for funeral flowers for relatives of students. Two, we noted that the board president purchased a computer for home use through the District's purchasing system. The cost of the computer was paid to the District prior to the purchase so there was no financial cost to the District, however, the use of the District's accounting system and purchasing power appear to be a violation of the District's policy.

Recommendation - We recommend that the District cease purchasing flowers for funerals out of any District funds. Student Activity funds are to be used solely for the conduct of each activity. Private individuals should also be prohibited from purchasing items through the District's purchasing process. The District policy regarding this should be enforced consistently.

Response - We will comply with the above recommendations.

Conclusion - Response accepted.

08-II-G Board Minutes - No transactions requiring Board approval which had not been approved by the Board were noted.

08-II-H Deposits and Investments - No instances of noncompliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy were noted.

08-II-I Certified Annual Report - The Certified Annual Report was filed with the Department of Education timely and we noted no significant deficiencies in the amounts reported.

08-IV-J Certified Enrollment - The number of basic resident students reported to the Iowa Department of Education on line 7 of the Certified Enrollment Certification Form for September 2007 was overstated. The District's certified enrollment count on line 1 which was overstated by 4 students. This resulted in overstating the total actual enrollment at line 7 by 4 students

Recommendation - The District should contact the Iowa Department of Education and the Department of Management to resolve this matter.

Response - We will contact the Iowa Department of Education and the Department of Management to resolve this matter.

Conclusion - Response accepted.